



For Immediate Release

<Provisional translation>

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REIT Issuer

Hankyu REIT, Inc. (Securities Code: 8977)
19-19 Chaya-machi, Kita-ku, Osaka
Yoshiaki Shiraki, Executive Director

Asset Management Company

Hankyu REIT Asset Management, Inc.
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Notice Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interests

Hankyu REIT, Inc. (hereafter "Hankyu REIT") hereby notifies that Hankyu REIT Asset Management, Inc., the asset management company that Hankyu REIT has selected to manage its assets, today decided on the following acquisition of assets.

Details

1. Overview of Acquisition

(1) DAILY QANAT Izumiya Horikawa Marutamachi Store (site)

- (i) Asset to be acquired: Real estate trust beneficiary interests
(Trustee: Mizuho Trust & Banking Co., Ltd.)
- (ii) Property name: DAILY QANAT Izumiya Horikawa Marutamachi Store (site)
- (iii) Proposed acquisition price: 3,100,000,000 yen
(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- (iv) Appraised value: 3,230,000,000 yen (Date of appraisal: April 1, 2014)
- (v) Proposed acquisition date: June 4, 2014
- (vi) Seller: Hankyu Corporation
- (vii) Acquisition funds: Proceeds from the issuance of new investment units indicated in the press release "Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units" dated today and cash on hand (planned)

Disclaimer:

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(2) kotocross Hankyu Kawaramachi

- (i) Asset to be acquired: Real estate trust beneficiary interests
(Trustee: Mizuho Trust & Banking Co., Ltd.)
- (ii) Property name: kotocross Hankyu Kawaramachi
- (iii) Proposed acquisition price: 2,770,000,000 yen
(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- (iv) Appraised value: 2,960,000,000 yen (Date of appraisal : April 1, 2014)
- (v) Proposed acquisition date: June 4, 2014
- (vi) Seller: Hankyu Corporation
- (vii) Acquisition funds: Proceeds from the issuance of new investment units indicated in the press release "Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units" dated today and cash on hand (planned)

(3) LIFE Shimoyamate Store (site)

- (i) Asset to be acquired: Real estate trust beneficiary interests
(Trustee: Mitsubishi UFJ Trust and Banking Corporation)
- (ii) Property name: LIFE Shimoyamate Store (site)
- (iii) Proposed acquisition price: 1,421,000,000 yen
(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- (iv) Appraised value: 1,430,000,000 yen (Date of appraisal : April 1, 2014)
- (v) Proposed acquisition date: June 4, 2014
- (vi) Seller: Hankyu Corporation
- (vii) Acquisition funds: Proceeds from the issuance of new investment units indicated in the press release "Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units" dated today and cash on hand (planned)

(4) (tentative name) MANDAI Gojo Nishikoji Store (site)

- (i) Asset to be acquired: Real estate trust beneficiary interests
(Trustee: Mizuho Trust & Banking Co., Ltd.)
- (ii) Property name: (tentative name) MANDAI Gojo Nishikoji Store (site)
- (iii) Proposed acquisition price: 4,182,000,000 yen
(excluding acquisition-related expenses, property tax, city planning tax and consumption tax, among others)
- (iv) Appraised value: 4,220,000,000 yen (Date of appraisal : April 1, 2014)
- (v) Proposed acquisition date: June 24, 2014
- (vi) Seller: Hankyu Corporation

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- (vii) Acquisition funds: Proceeds from the issuance of new investment units indicated in the press release “Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units” dated today, new borrowings indicated in the press release “Notice Concerning Debt Financing” dated today and cash on hand (planned)

2. Reason for Acquisition

Based on the target and policy of asset management stipulated in Hankyu REIT’s Articles of Incorporation, the assets to be acquired stated above (hereafter, the “4 Properties”) will be acquired in order to attain continued growth by incorporating properties owned by the sponsor and provided through warehousing functions of the sponsor group as well as strengthen the portfolio stability by incorporating urban retail properties and community-based retail properties in a well-balanced manner.

The 4 Properties feature average NOI yield of 5.4% and average NOI yield after depreciation of 5.0%, which surpass the 4.8% and the 3.3% for the entire portfolio of Hankyu REIT as of the end of the 17th fiscal period, respectively. Accordingly, Hankyu REIT believes that they should contribute to enhancement of its profitability as well as expansion of its asset scale.

Upon deciding the acquisition of the 4 Properties, the following points have been recognized.

(1) DAILY QANAT Izumiya Horikawa Marutamachi Store (site)

The property is located in an urbanized area approx. 3km north of Kyoto Station on the JR lines, and situated at a corner of the crossing of the Horikawa-dori and Marutamachi-dori streets. The Horikawa-dori street that runs in the eastern side of the property’s site travels down through the city area of Kyoto and functions as one of the city’s major roads. As such, the location of the property has high scarcity value, featuring good vehicle access.

According to the National Census in 2010, the population of the trade area by distance is approx. 10,000 within a 0.5km radius, approx. 42,000 within a 1km radius and approx. 167,000 within a 2km radius, representing a favorably large number of people. A comparison between 2005 and 2010 shows that the population increased for each distance zone, causing no worry about deterioration of the consumption ability of the market.

DAILY QANAT Izumiya Horikawa Marutamachi Store that stands on the property was opened on December 14, 2013, and houses MOS Burger, a dry cleaning agency and an ATM corner as sublease tenants, as well as the portions directly operated by Izumiya. The shop floors has a composition like that of a small general merchandising store (GMS), as foodstuff is sold on the first floor while clothes, daily necessities and interior goods are sold on the second floor along with a shop floor for drugs and cosmetics.

Izumiya, the tenant, whose main business format is GMS, operates 93 stores centering on the Kansai area (as of the end of February 2014), offering abundant lineups of bakery and prepared foods as well as perishable foods. Izumiya plans to implement management integration with H₂O Retailing Corporation on June 1, 2014, which will realize a corporate group that conducts business in wide areas in the Kansai district.

(2) kotocross Hankyu Kawaramachi

Opened on October 18, 2007, the property faces the Shijo-Kawaramachi crossing of the Shijo-dori and Kawaramachi-dori streets where the traffic is largest in the Shijo-Kawaramachi area and the potential is high. The building enjoys extremely good visibility and features the characteristics of a landmark.

The Shijo-dori street along which the property is located had a sales volume of around 250 billion yen annually in 2007 and occupied more than 10% of the sales volume of Kyoto City. As such, the street constitutes the largest shopping area in Kyoto, with a concentration of street-level shops and large-scale retail facilities.

The combined number of passengers getting on and off trains at Kawaramachi Station on the Hankyu Kyoto Line, the nearest station to the property, and at nearby Gion Shijo Station on the Keihan Main Line

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is approx. 112,000 (2011), while the combined number for Karasuma Station on the Hankyu Kyoto Line and the nearby Shijo Station on the Kyoto City Subway is approx. 172,000. In addition, the location is a through-point of many bus operation routes centering on Kyoto City Bus, and many people use busses as well as trains.

(3) LIFE Shimoyamate Store (site)

The property is located in Chuo Ward, the central part of Kobe City, with Hanakuma Station on Hankyu Kobe Kosoku Line, the nearest station, approx. 0.4km to the south, Motomachi Station on the Hanshin Main Line and Kobe-Sannomiya Station on the Hankyu Kobe Line approx. 0.8km and approx. 1.7km to the east, respectively. The property is in an existing urban area where, although there are some detached houses, there are many middle- to high-rise condominiums and condominium development projects are under way even at present.

According to the National Census in 2010, the population of the trade area by distance is approx. 13,000 within a 0.5km radius, approx. 38,000 within a 1km radius and approx. 104,000 within a 2km radius. As such, the population density of the current trade area is high for an urban district, posing a positive factor for neighborhood-type business formats like food supermarkets. A comparison between 2005 and 2010 shows that the population is on an increasing trend of 1% to 2% per year for each distance zone, and is anticipated to continue the increasing trend over recent years when considering the trend of new condominium development projects being conducted.

Life Corporation, the tenant, is a supermarket chain centering on foodstuff that operates 240 stores in the two major trade areas of the Tokyo metropolitan area (Tokyo, Saitama, Kanagawa and Chiba Prefectures) and the Kinki area (Osaka, Hyogo, Kyoto and Nara Prefectures) as of the end of March 2014. The store on the property sells foodstuff on the first floor, and liquor, confectionery and daily necessities, etc. on the second floor, with almost all shop areas directly operated. As the building is equipped with a parking lot on the roof, it can expect many customers visiting on foot or by bicycle from the current highly-populated trade area.

(4) (tentative name) MANDAI Gojo Nishikoji Store (site)

Approx. 3km to the northwest of Kyoto Station on the JR lines, the property is located at the southern edge of Ukyo Ward, Kyoto City, and at the periphery of the central urban areas. It is approx. 0.8km to Nishi-Kyogoku Station on the Hankyu Kyoto Line, the nearest station. The property is in an existing urban area with a mixture of working and residential places, dotted with small factories in a spreading old residential district.

According to the National Census in 2010, the population of the trade area is approx. 9,000 within a 0.5km radius, approx. 39,000 within a 1km radius and approx. 146,000 within a 2km radius. As such, the current trade area constitutes a highly-dense rich market that has a population within a 0.5km radius large enough to allow a food supermarket to operate.

The building is under construction as of the date of this document, and is scheduled to open in the winter of 2014. MANDAI, the tenant, is a company that operates 149 supermarkets (as of the end of February 2013) primarily in the Osaka area, and plans to start operation on the property in the winter of 2014.

Moreover, many of the stores operated by MANDAI have strong promotion ability and pricing appeal of the three perishable foodstuffs (fish, meat and vegetable), and generate good results with a high efficiency by tsubo. Accordingly, MANDAI stores can be expected to attract strong support from customers.

3. Details of Assets to be Acquired

(1) DAILY QANAT Izumiya Horikawa Marutamachi Store (site)

Property name	DAILY QANAT Izumiya Horikawa Marutamachi Store (site)
Specified asset type	Trust beneficiary interests
Trustee	Mizuho Trust & Banking Co., Ltd.

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Period of trust	From February 22, 2013 to June 30, 2024 (scheduled)				
Proposed acquisition price	3,100,000,000 yen				
Appraised value	3,230,000,000 yen (Date of appraisal : April 1, 2014) (Appraisal organization: Daiwa Real Estate Appraisal Corporation)				
Location	Address	146 Horikawamachi, Marutamachi Kudaru, Horikawa-dori, Kamigyō-ku, Kyoto-shi, and other			
Land	Building coverage	80%/60%	Building	Month/Year built	—
	Floor area ratio	600%/400%/200%		Structure /Floors	—
	Zone use	Commercial district/Type 1 residential district		Use	—
	Lot area	3,776.15m ²		Total floor area	—
	Form of ownership	Right of ownership		Form of ownership	—
Property manager	HankyuHanshin Building Management Co., Ltd. (planned)				
Collateral	It is planned to establish the right of pledge for the trust beneficiary interests and revolving mortgage with a condition precedent for the subject property, respectively, in order to secure obligations to refund the security deposits and guarantees to the tenant, etc. (Note). Secured creditor: Izumiya Co., Ltd. (planned)				
Other matters to note	Hankyu REIT plans to own the land only.				

Note: The amount of the secured claim is not disclosed as no consent to disclose the amount of the security deposits has been obtained from the tenant.

(2) kotocross Hankyu Kawaramachi

Property name	kotocross Hankyu Kawaramachi				
Specified asset type	Trust beneficiary interests				
Trustee	Mizuho Trust & Banking Co., Ltd.				
Period of trust	From August 23, 2013 to June 30, 2024 (planned)				
Proposed acquisition price	2,770,000,000 yen				
Appraised value	2,960,000,000 yen (Date of appraisal : April 1, 2014) (Appraisal organization: Daiwa Real Estate Appraisal Corporation)				
Location	Address	67-1 shin-cho, Kobashi Nishi-iru, Shijyo-dori, Shimogyo-ku, Kyoto-shi, and other			
Land	Building coverage	80%	Building	Month/Year built	October 2007
	Floor area ratio	700%		Structure / Floors	Steel-frame, steel-frame reinforced concrete structure with flat roof / 1 underground level, 9 floors
	Zone use	Commercial district		Use	Store
	Lot area	638.62 m ² (including 205.08 m ² of leased land)		Total floor area	4,400.13 m ²
	Form of ownership	Right of ownership Leased-land right		Form of ownership	Right of ownership
Design company	Asai Ken Architectural Research Inc.				
Construction company	Toda Corporation				

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Building recognition organization	Kyoto Organization of Confirmation & Inspection
Property manager	HankyuHanshin Building Management Co., Ltd. (planned) (Note)
Earthquake PML (Evaluators)	2.6% (Engineering & Risk Services Corporation and OYO RMS Corporation)
Collateral	None
Other matters to note	The land where the subject property is located was designated as the 31m height district as of September 1, 2007. However, as the building height is 40.593m (the largest height of the building indicated in the building recognition application form), it is currently classified as existing non-conformity land.

Note: Aside from HankyuHanshin Building Management Co., Ltd. (planned), part of the property management services is consigned to Hankyu Corporation, which has re-consigned the said services to HankyuHanshin Building Management Co., Ltd.

(3) LIFE Shimoyamate Store (site)

Property name	LIFE Shimoyamate Store (site)				
Specified asset type	Trust beneficiary interests				
Trustee	Mitsubishi UFJ Trust and Banking Corporation)				
Period of trust	From September 12, 2013 to June 30, 2024 (planned)				
Proposed acquisition price	1,421,000,000 yen				
Appraised value	1,430,000,000 yen (Date of appraisal : April 1, 2014) (Evaluator: The Tanizawa Sogo Appraisal Co., Ltd.)				
Location	Address	7-1-7 Shimoyamatedori, Chuo-ku, Kobe-shi			
Land	Building coverage	80%/60%	Building	Month/Year built	—
	Floor area ratio	400%/300%		Structure / Floors	—
	Zone use	Commercial district/ Type 2 residential district		Use	—
	Lot area	2,397.83 m ²		Total floor area	—
	Form of ownership	Right of ownership		Form of ownership	—
Property manager	HankyuHanshin Building Management Co., Ltd. (planned)				
Collateral	None				
Other matters to note	<ul style="list-style-type: none"> • Hankyu REIT plans to own the land only. • Based on the agreement to establish leasehold interest for business purposes executed between the Trustee and Life Corporation, it has been decided that, when the ownership of the subject property is transferred to any third party, prior notice in writing shall be made to Life Corporation and, if Life Corporation wishes to purchase it, preferential negotiations shall be made with the company. 				

(4) (tentative name) MANDAI Gojo Nishikoji Store (site)

Property name	(tentative name) MANDAI Gojo Nishikoji Store (site)
Specified asset type	Trust beneficiary interests
Trustee:	Mizuho Trust & Banking Co., Ltd.
Period of trust	From September 13, 2013 to June 30, 2024 (planned)

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Proposed acquisition price		4,182,000,000 yen			
Appraised value		4,220,000,000 yen (Date of appraisal : April 1, 2014) (Appraisal organization: Daiwa Real Estate Appraisal Corporation)			
Location	Address	33 Saiin rokutandacho, Ukyo-ku, Kyoto-shi, and other			
Land	Building coverage	60%	Building	Month/Year built	—
	Floor area ratio	300%/200%		Structure / Floors	—
	Zone use	Industrial district		Use	—
	Lot area	9,182.80 m ²		Total floor area	—
	Form of ownership	Right of ownership		Form of ownership	—
Property manager		HankyuHanshin Building Management Co., Ltd. (planned)			
Collateral		None			
Other matters to note		<ul style="list-style-type: none"> • The sale agreement regarding the acquisition of the property falls under the definition of forward commitment, etc. (contracts for forward and future transactions, for which settlement and delivery take place one or more months after their signing, and other contracts of similar nature as defined in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.”). The sale agreement regarding the acquisition of the property stipulates that the obligation to pay the sale price shall arise on the condition that Hankyu REIT has completed procurement of funds required to pay the sale price. In addition, there is no provisions concerning cancelation penalty, and there is no deposit of money to be paid in advance. Therefore, it is unlikely that, even if forward commitment, etc. cannot be implemented because of failure to complete fund procurement, there will be a major impact on financial operations, etc. of Hankyu REIT. • Hankyu REIT plans to own the land only. • The building is under construction as of today, and the rent through the building completion date (planned for completion in the winter of 2014) will be 30% of the rent after completion. Furthermore, the entire rent will be paid on the day following the building completion date and afterward. 			

4. Overview of Leasing

(1) DAILY QANAT Izumiya Horikawa Marutamachi Store (site)

Total number of tenants	1
Principal tenant	Izumiya Co., Ltd.
Rent	—(Note 1)
Leasable area	3,776.15 m ² (Note 2)
Leased area	3,776.15 m ² (Note 2)
Occupancy rate	100% (Note 3)
Security deposits	—(Note 1)

Note 1: Rent and security deposits are not disclosed as no consent has been obtained from the tenant.

Note 2: The areas stipulated in the lease agreement for the land as of today are indicated.

Note 3: The ratio of leased area to leasable area is indicated.

(2) kotocross Hankyu Kawaramachi

Total number of tenants	1 (Note 1)
Principal tenant	Hankyu Corporation
Annual rent	204 million yen (Note 2)

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Leasable area	4,400.13 m ² (Note 3)
Leased area	4,400.13 m ² (Note 3)
Occupancy rate	100% (Note 4)
Security deposits	102 million yen (Note 2)

Note 1: The total number of tenants is considered as 1 because the property is entirely leased to tenants under the master lease agreement. Furthermore, it is planned to execute an agreement to amend the master lease agreement between the Trustee and Hankyu Corporation as of June 4, 2014. Therefore, the number of tenants is what is indicated in the agreement after the said amendment (hereafter, the "agreement after amendment"). Moreover, as of the end of February 2014, the number of end tenants stands at 10 and the occupancy rate (total leased area of end tenants to the leasable area) is 100%.

Note 2: The amount stipulated in the agreement after amendment is indicated.

Note 3: The areas stipulated in the agreement after amendment are indicated.

Note 4: The ratio of the leased area under the agreement after amendment to the leasable area is indicated.

(3) LIFE Shimoyamate Store (site)

Total number of tenants	1
Principal tenant	Life Corporation
Rent	—(Note 1)
Leasable area	2,397.83 m ² (Note 2)
Leased area	2,397.83 m ² (Note 2)
Occupancy rate	100% (Note 3)
Security deposits	—(Note 1)

Note 1: Rent and security deposits are not disclosed as no consent has been obtained from the tenant.

Note 2: The areas stipulated in the lease agreement for the land as of today are indicated.

Note 3: The ratio of leased area to leasable area is indicated.

(4) (tentative name) MANDAI Gojo Nishikoji Store (site)

Total number of tenants	1
Principal tenant	Mandai Co., Ltd.
Rent	—(Note 1)
Leasable area	9,182.80 m ² (Note 2)
Leased area	9,182.80 m ² (Note 2)
Occupancy rate	100% (Note 3)
Security deposits	—(Note 1)

Note 1: Rent and security deposits are not disclosed as no consent has been obtained from the tenant.

Note 2: The areas stipulated in the lease agreement for the land as of today are indicated.

Note 3: The ratio of leased area to leasable area is indicated.

5. Overview of Seller

All the 4 properties of DAILY QANAT Izumiya Horikawa Marutamachi Store (site), kotocross Hankyu Kawaramachi, LIFE Shimoyamate Store (site) and (tentative name) MANDAI Gojo Nishikoji Store (site) will be acquired from Hankyu Corporation.

Name	Hankyu Corporation
Location	1-1, Sakae-machi, Ikeda-shi, Osaka
Title and name of representative	Yoshihiro Nakagawa, Representative Director
Capital	100 million yen (Note)
Main business activities	Urban transportation business, real estate business, entertainment & communications business
Date of establishment	October 19, 1907
Net assets and total assets in the immediate preceding fiscal year	Net assets: 154,633 million yen Total assets : 1,027,340 million yen (as of March 31, 2013)

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Major shareholder and shareholding ratio	Hankyu Hanshin Holdings, Inc. 100%
Relation to Hankyu REIT or asset management company	<p>Capital relationships: A unitholder (3.99% unitholding) of Hankyu REIT. A shareholder (100% shareholding) of the asset management company Hankyu REIT Asset Management, Inc. and thus falls under the definition of “interested party, etc.” in the Investment Trusts Act.</p> <p>Personnel relationships: 14 directors/employees have been seconded to the asset management company, of which the president & representative director of the asset management company concurrently holds the position of executive director of Hankyu REIT. 2 directors/employees concurrently hold a position at the asset management company. (as of the end of the previous fiscal period (November 30, 2013))</p> <p>Business relationships: Business relationships with Hankyu REIT Rent paid 1,229 thousand yen (previous period (June 1, 2013 to November 30, 2013)) Business relationships with asset management company An information sharing-related agreement has been entered into with the asset management company.</p> <p>Applicability as related party: A shareholder (100% shareholding) of the asset management company Hankyu REIT Asset Management, Inc. and thus falls under the definition of “related party.”</p>

Note: The capital as of the date of this press release.

6. Status of Property Acquirers, etc.

(1) DAILY QANAT Izumiya Horikawa Marutamachi Store (site)

	Previous owner	Second previous owner
Company name	Hankyu Corporation	Parties other than those with special interests
Relationship to special interested parties	See “5. Overview of Seller” above	—
Acquisition background, reasons, etc.	Warehousing purpose	—
Acquisition date	June 21, 2013	—
Acquisition price	3,000 million yen	—

(2) kotocross Hankyu Kawaramachi

	Previous owner	Second previous owner	Third previous owner
Company name	Hankyu Corporation	Hankyu Hanshin Holdings, Inc. (Land)	Parties other than those with special interests

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Relationship to special interested parties	See “5. Overview of Seller” above	The second previous owner is the parent company of Hankyu Corporation, the parent company of the asset management company, and falls under the definition of interested party, etc. in the Investment Trusts Act. A trademark license agreement was executed between the second previous owner and Hankyu REIT and the asset management company as of December 3, 2004. Other than this, there is no personnel or business relationship. The second previous owner is the parent company of Hankyu Corporation, the parent company of the asset management company, and falls under the definition of related parties.	—
Acquisition background, reasons, etc.	Company split (land), development (building)	Development purpose	—
Acquisition date	April 1, 2005 (land) Completed in October 10, 2007 (building)	August 30, 2004 (Land)	—
Acquisition price	Omitted because ownership exceeds one year	—	—

(3) LIFE Shimoyamate Store (site)

	Previous owner	Second previous owner
Company name	Hankyu Corporation	Parties other than those with special interests
Relationship to special interested parties	See “5. Overview of Seller” above	—
Acquisition background, reasons, etc.	Warehousing purpose	—
Acquisition date	September 12, 2013	—
Acquisition price	1,418 million yen	—

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(4) (tentative name) MANDAI Gojo Nishikoji Store (site)

	Previous owner	Second previous owner
Company name	Hankyu Corporation	Parties other than those with special interests
Relationship to special interested parties	See "5. Overview of Sellers" above .	—
Acquisition background, reasons, etc.	Warehousing purpose	—
Acquisition date	March 24, 2014	—
Acquisition price	4,020 million yen	—

7. Transactions with Interested Parties, etc.

Hankyu Corporation is the seller of DAILY QANAT Izumiya Horikawa Marutamachi Store (site), kotocross Hankyu Kawaramachi, LIFE Shimoyamate Store (site) and (tentative name) MANDAI Gojo Nishikoji Store (site) as well as the master lessee of kotocross Hankyu Kawaramachi (with part of the property management service for the property planned to be consigned), and falls under the definition of "interested party, etc." in the Investment Trusts Act. Accordingly, the agreement to transfer real estate trust beneficiary interests and the memorandum of amendments to the fixed-term building lease agreement and management service consignment agreement have been deliberated and approved by the investment management committee, the compliance committee and the board of directors of the asset management company in accordance with the asset management company's rules concerning transactions involving conflicts of interest set forth in the management guidelines, investment management committee regulations, compliance committee regulations, etc.

Hankyu Hanshin Building Management Co., Ltd., to which the property management operations for the 4 properties are planned to be consigned, falls under the definition of "interested party, etc." in the Investment Trusts Act. Accordingly, the property management agreement has been deliberated and approved by the investment management committee, the compliance committee and the board of directors of the asset management company in accordance with the asset management company's rules concerning transactions involving conflicts of interest set forth in the management guidelines, investment management committee regulations, compliance committee regulations, etc.

8. Overview of Intermediaries

Not applicable.

9. Settlement Method, etc.

Hankyu REIT plans to pay the sellers the acquisition price in full on the planned acquisition date.

10. Acquisition Schedule

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| May 12, 2014 | Resolution of acquisition of four properties at the asset management company's Board of Directors' meeting, conclusion of agreement |
| June 4, 2014 | Payment and acquisition of DAILY QANAT Izumiya Horikawa Marutamachi Store (site), kotocross Hankyu Kawaramachi and LIFE Shimoyamate Store (site) (planned) |
| June 24, 2014 | Payment and acquisition of (tentative name) MANDAI Gojo Nishikoji Store (site) (planned) |

11. Future Outlook

Please refer to the press release "Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending November 30, 2014" dated today for the impact on the management of Hankyu REIT's

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assets for the fiscal period ending May 2014 (18th fiscal period: December 1, 2013 to May 31, 2014) and the fiscal period ending November 2014 (19th fiscal period: June 1, 2014 to November 30, 2014).

- The Japanese original document was distributed to press clubs within the Tokyo Stock Exchange (Kabuto Club), Osaka Securities Exchange, and Ministry of Land, Infrastructure, Transport and Tourism, and to the press club of the construction trade newspaper of the Ministry of Land, Infrastructure, Transport and Tourism.
- Hankyu REIT website: <http://www.hankyu-reit.jp/eng/>

<Attached Materials>

- Reference Material 1 Overview of Appraisal Report
- Reference Material 2 Table of Real Estate Portfolio After the Asset Acquisition
- Reference Material 3 Property Photographs, Photograph of External Facade and Map of Location and Surrounding Area

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Reference Material 1

<Overview of Appraisal Report>

PROPERTY NAME	DAILY QANAT Izumiya Horikawa Marutamachi Store (site)
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Appraised value	3,230,000,000 yen
Appraisal organization	Daiwa Real Estate Appraisal Corporation
Date of appraisal	April 1, 2014

Item	Value	Basis for Valuation
Value indicated by the income approach*	3,230,000,000 yen	
Value using the direct capitalization method (direct capitalization method over a definite term)	3,240,000,000 yen	
(1) Net operating income (NOI)	177,125,600 yen	
(2) Operating profit on deposit and security	5,133,740 yen	Assessment with the investment management yield of deposit and security estimated to be 2.0% based on the investment management yield of financial assets, etc.
(3) Capital expenditures	0 yen	
(4) Net cash flow (NCF = (1) + (2) - (3))	182,259,340 yen	
(5) Discount rate	4.9%	Assessment by comparing with similar property transaction cases, etc. and by adding the property's individuality to the yields of financial assets
Value using the discounted cash flow (DCF) method	3,220,000,000 yen	
Discount rate (analysis period and recovery price)	4.8%	Assessment based on comparison with the discount rates of similar property transaction cases and the yields of other financial assets, etc.
Discount rate (end of analysis period)	5.0%	Assessment taking into consideration the discount rates of similar property transaction cases, etc.

Special items to consider at the time of making adjustments to provisional calculations and deciding the Appraisal value	The appraisal decision was based on an assessment of the value indicated by the income approach using both the direct capitalization method and DCF method at 3,230,000,000 yen and the Appraisal value was decided with the value.
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The Appraisal value of real estate is no more than an indication of the opinion of the value of the appraised real estate at the time of the appraisal conducted by the real estate appraiser in accordance with the Act on Real Estate Appraisal, Real Property Appraisal Standards, etc. There are cases where another appraisal of the same real estate may result in a different Appraisal value, depending on the real estate appraiser conducting the appraisal and the method or timing of the appraisal. Furthermore, the appraisal of real estate is neither a guarantee nor an obligation, now or into the future, of a sale or purchase at that Appraisal value.

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<Overview of Appraisal Report>

PROPERTY NAME	kotocross Hankyu Kawaramachi
Appraised value	2,960,000,000 yen
Appraisal organization	Daiwa Real Estate Appraisal Corporation
Date of appraisal	April 1, 2014

Item	Value	Basis for Valuation
Value indicated by the income approach	2,960,000,000 yen	
Value using the direct capitalization method	2,990,000,000 yen	
(1) Total revenues((i) + (ii) - (iii))	204,000,000 yen	
(i) Rents and other income from leased space	204,000,000 yen	
(ii) Other income	0 yen	
(iii) Vacancy loss, etc.	0 yen	Not recorded based on the assumption of long-term occupancy
(2) Total expenses (total of (i) through (viii))	52,881,860 yen	
(i) Maintenance expense, etc.	0 yen	Not recorded as the expense is to be borne by the lessee
(ii) Utilities expense	0 yen	Not recorded as the expense is to be borne by the lessee
(iii) Repair expense	1,477,020 yen	Assessment based on the engineering report and similar cases, etc.
(iv) Property management fee	3,600,000 yen	Based on the planned contract amount
(v) Tenant solicitation expense	0 yen	Not recorded as no replacement is assumed
(vi) Tax and public dues	21,450,400 yen	Assessment based on the actual amount for fiscal 2014
(vii) Nonlife insurance premium	933,640 yen	Planned amount based on materials obtained from the asset management company is recorded
(viii) Other expenses	25,420,800 yen	Assessment based on the actual amount obtained from the asset management company
(3) Net operating income (NOI=(1)-(2))	151,118,140 yen	
(4) Capital expenditures	3,446,380 yen	Assessment based on the engineering report and similar cases, etc.
(5) Operating profit on deposit and security	2,040,000 yen	Assessment taking into consideration of the investment management yield both from the management and procurement perspectives
(6) Net cash flow (NCF=(3)-(4)+(5))	149,711,760 yen	
(7) Capitalization rate	5.0%	Assessment taking into consideration the yields of similar property transactions, etc.
Value using the discounted cash flow (DCF) method	2,950,000,000 yen	
Discount rate for periodic income	4.8%	Assessment taking into consideration of the property's risks regarding its local characteristics and individuality
Terminal capitalization rate	5.2%	Assessment by adding uncertainty of future prediction, etc. to the capitalization rate
Cost method value	2,950,000,000 yen	
Land ratio	66.8%	Land leasehold included
Building ratio	33.2%	

Special items to consider at the time of making adjustments to provisional calculations and deciding the Appraisal value	The appraisal decision was based on an assessment of the value indicated by the income approach using both the direct capitalization method and DCF method at 2,960,000,000 yen and the Appraisal value was decided with the value.
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<Overview of Appraisal Report>

PROPERTY NAME	LIFE Shimoyamate Store (site)	
Appraised value	1,430,000,000 yen	
Appraisal organization	The Tanizawa Sogo Appraisal Co., Ltd.	
Date of appraisal	April 1, 2014	
	Item	Basis for Valuation
	Value indicated by the income approach	1,430,000,000 yen
	Value using the discounted cash flow (DCF) method	1,430,000,000 yen
	Discount rate for periodic income (Year 1 – Year 10.0)	5.0%
	Discount rate for periodic income (Year 11.0 – Year 20.1)	5.1%
	Discount rate for periodic income (Year 21.1 – Year 40.1)	5.1%
	Discount rate for periodic income (upon returning to vacant lot)	5.2%
		Assessment comprehensively taking into consideration of the content of the current lease agreement, land rent levels, lease period, business risks and other factors, based on the method to compare with the yields of land transaction cases, etc. as well as the accumulation method
		Assessment based on the discount rate for the current agreement period and adding the possibility to sell the property as vacant land, etc.
Special items to consider at the time of making adjustments to provisional calculations and deciding the Appraisal value	The appraisal decision was based on an assessment of the value indicated by the income approach using the DCF method at 1,430,000,000 yen and the Appraisal value (specified value) of the property was decided with the value, based on the type of the property as "site (land with leasehold interest for business)" and taking into consideration of the price formation process that focuses on the profitability for the market participants (consumers) regarding the property and the purpose of requesting appraisal, among other things.	

The Appraisal value of real estate is no more than an indication of the opinion of the value of the appraised real estate at the time of the appraisal conducted by the real estate appraiser in accordance with the Act on Real Estate Appraisal, Real Property Appraisal Standards, etc. There are cases where another appraisal of the same real estate may result in a different Appraisal value, depending on the real estate appraiser conducting the appraisal and the method or timing of the appraisal. Furthermore, the appraisal of real estate is neither a guarantee nor an obligation, now or into the future, of a sale or purchase at that Appraisal value.

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<Overview of Appraisal Report>

PROPERTY NAME	(tentative name) MANDAI Gojo Nishikoji Store (site)
Appraised value	4,220,000,000 yen
Appraisal organization	Daiwa Real Estate Appraisal Corporation
Date of appraisal	April 1, 2014

Item	Value	Basis for Valuation
Value indicated by the income approach*	4,220,000,000 yen	
Value using the direct capitalization method (direct capitalization method over a definite term)	4,320,000,000 yen	
(1) Net operating income (NOI)	220,983,100 yen	
(2) Operating profit on deposit and security	2,333,520 yen	Assessment with the investment management yield of deposit and security estimated to be 2.0% based on the investment management yield of financial assets, etc.
(3) Capital expenditures	0 yen	
(4) Net cash flow (NCF = (1) + (2) - (3))	223,316,620 yen	
(5) Discount rate	5.0%	Assessment using the method to obtain the discount rate by comparing with similar property transaction cases, etc. and the method to obtain the discount rate by adding the property's individuality to the yields of financial assets
Value using the discounted cash flow (DCF) method	4,180,000,000 yen	
Discount rate (analysis period and recovery price)	4.9%	Assessment based on comparison with the discount rates of similar property transaction cases and the yields of other financial assets, etc.
Discount rate (end of analysis period)	5.1%	Assessment taking into consideration the discount rates of similar property transaction cases, etc.

Special items to consider at the time of making adjustments to provisional calculations and deciding the Appraisal value	The appraisal decision was based on an assessment of the value indicated by the income approach using both the direct capitalization method and DCF method at 4,220,000,000 yen and the Appraisal value was decided with the value.
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The Appraisal value of real estate is no more than an indication of the opinion of the value of the appraised real estate at the time of the appraisal conducted by the real estate appraiser in accordance with the Act on Real Estate Appraisal, Real Property Appraisal Standards, etc. There are cases where another appraisal of the same real estate may result in a different Appraisal value, depending on the real estate appraiser conducting the appraisal and the method or timing of the appraisal. Furthermore, the appraisal of real estate is neither a guarantee nor an obligation, now or into the future, of a sale or purchase at that Appraisal value.

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Reference Material 2

<Table of Real Estate Portfolio After the Asset Acquisition >

Property Code (Note)	Property Name	Facility (Type of Use)	Region	Acquisition Date (Actual/Proposed)	Acquisition Price (Actual/Proposed) (million yen)	Investment Ratio
R1 (K)	HEP Five	Retail	Kansai	February 1, 2005	6,468	4.6%
R2 (K)	Kitano Hankyu Building	Retail	Kansai	February 1, 2005	7,740	5.6%
R3 (K)	Dew Hankyu Yamada	Retail	Kansai	February 1, 2005	6,930	5.0%
R4 (K)	Takatsuki-Josai Shopping Center	Retail	Kansai	November 15, 2005	8,600	6.2%
R5 (K)	Nitori Ibaraki-Kita Store (site)	Retail	Kansai	March 29, 2006	1,318	0.9%
R6	Kohnan Hiroshima Nakano-Higashi Store (site)	Retail	Other	October 2, 2006	2,170	1.6%
				April 9, 2007	5	
R8	Hotel Gracery Tamachi	Retail	Other	December 25, 2008	4,160	3.0%
R9 (K)	LaLaport KOSHIEEN (site)	Retail	Kansai	January 22, 2009	7,350	5.3%
R10	Richmond Hotel Hamamatsu	Retail	Other	January 22, 2009	2,100	1.5%
R11 (K)	HANKYU NISHINOMIYA GARDENS	Retail	Kansai	April 16, 2013	18,300	13.1%
R12(K)	AEON MALL SAKAIKITAHANADA (site)	Retail	Kansai	June 27, 2013	8,100	5.8%
R13(K)	MANDAI Toyonaka Honan Store (site)	Retail	Kansai	June 27, 2013	1,870	1.3%
R14(K)	DAILY QANAT Izumiya Horikawa Marutamachi (site)	Retail	Kansai	June 4, 2014	3,100	2.2%
R15(K)	Kotocross Hankyu Kawaramachi	Retail	Kansai	June 4, 2014	2,770	2.0%
R16(K)	LIFE Shimoyamate Store (site)	Retail	Kansai	June 4, 2014	1,421	1.0%
R17(K)	(tentative name) MANDAI Gojo Nishikoji Store (site)	Retail	Kansai	June 24, 2014	4,182	3.0%
	Subtotal				86,584	62.2%
O1	Shiodome East Side Building	Office	Other	February 29, 2008	19,025	13.7%
O2 (K)	Hankyu Corporation Head Office Building	Office	Kansai	April 10, 2013	10,200	7.3%
	Subtotal				29,225	21.0%
M1 (K)	Ueroku F Building	Complex	Kansai	November 1, 2005	2,980	2.1%
M2	Sphere Tower Tennoz	Complex	Other	October 2, 2007	9,405	6.8%
M3 (K)	LAXA Osaka	Complex	Kansai	January 22, 2009	5,122	3.7%
M4 (K)	Namba-Hanshin Building	Complex	Kansai	January 22, 2009	4,310	3.1%
M5	Kita-Aoyama 3 cho-me Building	Complex	Other	November 12, 2013	1,680	1.2%
	Subtotal				23,497	16.9%
	Total				139,307	100.0%

Note: The properties owned by Hankyu REIT are assigned codes classified by facility (type of use) and region. The letters on the left represent the facility (type of use): "R" is for retail-use facility, "O" is for office-use facility and "M" is for mixed-use (complex) facility. The numerals are the numbers assigned to each facility in the chronological

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order of the acquisition. Also, the letter "K" in parentheses to the right of the numerals indicates that the property is located in the Kansai region.

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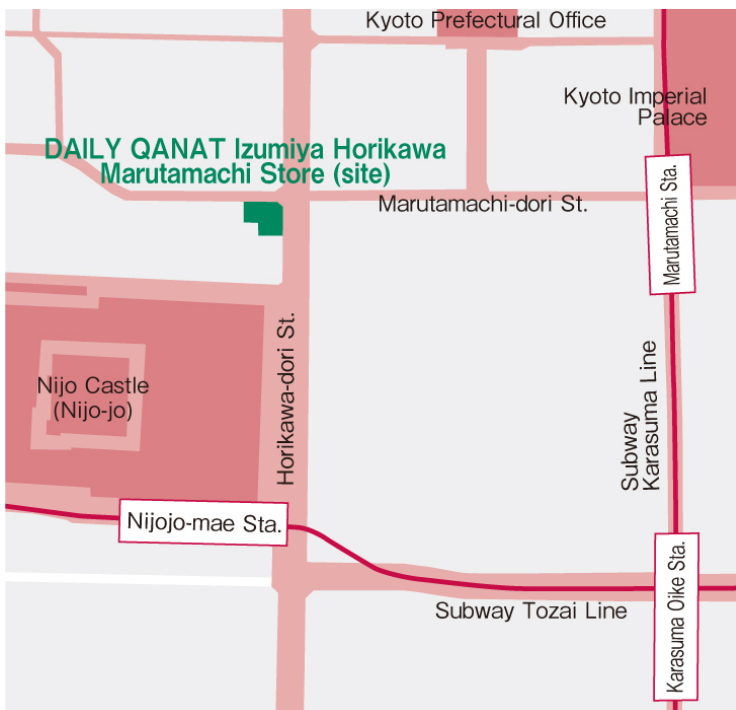
Reference Material 3

<DAILY QANAT Izumiya Horikawa Marutamachi Store (site): Property Photograph>



Note: Hankyu REIT plans to acquire only the land.

<DAILY QANAT Izumiya Horikawa Marutamachi Store (site): Map of Location and Surrounding Area>



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<kotocross Hankyu Kawaramachi: Property Photograph>



<kotocross Hankyu Kawaramachi: Map of Location and Surrounding Area>



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<LIFE Shimoyamate Store (site): Property Photograph>



Note: Hankyu REIT plans to acquire only the land.

<LIFE Shimoyamate Store (site): Map of Location and Surrounding Area>



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<(tentative name) MANDAI Gojo Nishikoji Store (site): Image of Exterior>



Note: Hankyu REIT plans to acquire only the land. In addition, the building is currently under construction, so that the image above may be different from the actual conditions after completion.

<(tentative name) MANDAI Gojo Nishikoji Store (site): Map of Location and Surrounding Area>



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